

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1809

ANSWERED ON:29.11.2002

EVASION BY MULTINATIONAL COMPANIES

BIR SING MAHATO; RATNA SINGH; S. SAIDUZZAMAN; VSM (RETD.) COL. CHOUDHARY

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the number of multinational companies and some big business houses are involved in tax evasion to the tune of hundred of crores of rupees;
- (b) if so, details of such MNCs and big business houses and tax evasion by each of such MNC and big business houses;
- (c) the Modus operandi adopted by these MNC and big business houses for tax evasion;
- (d) the action taken/ proposed to be taken by the Government against such defaulters for tax recovery and progress achieved so far?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE & COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN)

(a): It is not true that number of multinational companies and some big business house are involved in tax evasion to the tune of hundred of crores of rupees. However, necessary action is taken by the Income Tax Department at the field level in accordance with the provisions of law against evasion of Income Tax in respect of all categories of assessee including multinational companies and big business houses.

(b) & (c): Such information is not centrally maintained. The collection and compilation of the desired information from the field formations spread all over the country will involve substantial time and efforts, which may not be commensurate to the objectives sought to be achieved.

(d): High priority is given to the work of recovery of tax demand in all cases and appropriate administrative, legal and other measures are taken in this regard.